

**MINUTES OF THE
VINEYARD TOWN COUNCIL MEETING
Vineyard Town Hall, 240 East Gammon Road, Vineyard, Utah
June 27, 2012**

PRESENT –

Mayor Randy Farnworth
Councilmember Jeff Gillespie
Councilmember Norm Holdaway

ABSENT –

Councilmember Sean Fernandez
Councilmember Nathan Riley

Staff Present: Water Operator Sullivan Love, Town Attorney David Church, Town Engineer Don Overson, Town Planner Nathan Crane, Town Clerk/Recorder Debra Cullimore

Others Present: Mike Olsen of American First Credit Union, Mike Hutchingson of Anderson Development, Robert Holdaway, Cummorah Holdaway

The Vineyard Town Council held a Regular Meeting Wednesday, June 27, 2012, beginning at 7:00 p.m. The invocation was offered by Robert Holdaway.

Regular Session – The meeting was called to order at 7:05 p.m.

MINUTES REVIEW AND APPROVAL – June 13, 2012

COUNCILMEMBER GILLESPIE MOVED TO APPROVE THE MINUTES OF THE REGULAR MEETING OF JUNE 13, 2012. COUNCILMEMBER HOLDAWAY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY WITH TWO ABSENT.

PLANNING COMMISSION UPDATE AND RECOMMENDATIONS TO THE COUNCIL - *Planning Commission Liaison Norman Holdaway*

Councilmember Holdaway had no new business to forward to the Council from the Planning Commission. Mayor Farnworth noted that he is working to fill the vacancy on the Planning Commission.

STAFF REPORTS -

Planner, Nathan Crane – Mr. Crane reported that he recently attended an EDCU presentation regarding demand and availability of industrial properties in Utah Valley. He noted that there is a demand for Class A industrial space, particularly in existing buildings.

Engineer, Don Overson – JUB Engineers – Mr. Overson reported on the status of the RDA Project Phase 1. He stated that sewer and water lines which extend under the railroad tracks have been installed in conduit to facilitate future repair and maintenance of the lines.

Water Operator Technician – Sullivan Love – Mr. Love reported that he is working with a homeowner with repair of a land drain which was damaged during construction of a sandbox.

Attorney – David Church – Mr. Church had no items to report.

Utah County Sheriff's Department – Deputy Gordon was not present at the meeting.

Financial Report – Town Treasurer, Nathan Riley – Councilmember Riley was not present at the meeting.

Town Clerk/Recorder – Ms. Cullimore reported that the zoning ordinance is updated and is available to the Council on their iPads.

BUSINESS ITEMS –

5.1 –Discussion and Action – Homesteads Reimbursement Agreement Amendments – The Mayor and Council will discuss and possibly act to approve amendments to the existing Reimbursement Agreement between Vineyard Town and Anderson Development.

Mayor Farnworth invited Mr. Overson and Mr. Church to present this item to the Council. Mr. Church reported that the Town has an existing reimbursement agreement with Anderson Development. The agreement before the Council is an amendment to the existing agreement. The original agreement included a significant contribution from the Developer for public safety facilities and a water storage facility. The amended agreement does not include these specific improvements. The original agreement also included a requirement for construction of a railroad crossing overpass on the east end of Center Street, which has been removed from the amended agreement.

Mr. Church went on to explain that the proposed amendments to the agreement are favorable to the Town in that the original agreement required that all Impact Fees collected by the Town be paid as reimbursement to Anderson Development for improvements associated with the Homesteads Development. The amended agreement requires a percentage Impact Fees to be paid to the developer with the Town retaining a percentage for future projects.

Mr. Church reviewed specific language in the agreement referring to the value of improvements which have been installed by the developer as well as reimbursements by area which will be paid to the developer based on Impact Fees collected. Mr. Overson clarified that following review and analysis of the actual cost of existing reimbursable improvements installed by the developer, the value was established at approximately \$15,822,728. The Impact Fee Analysis assumes that all road and utility improvements are system improvements and are therefore 100% reimbursable. The analysis establishes a total Impact Fee calculation for a single family home in the Homesteads Subdivision at \$16,247.79.

Mr. Church went on to explain that the original agreement specified a 20 year repayment period. The amended agreement extends the repayment period to 30 years or when the reimbursement is paid in full, whichever is sooner. The proposed agreement also acknowledges that the 400 North railroad crossing as well as the Center Street railroad overpass will likely be paid for through the RDA, and that

no Impact Fees will be collected or reimbursements paid toward those improvements. Mr. Church explained that \$65,000 of the reimbursement due to Anderson Development will be paid to the Town for wetlands mitigation costs associated with the development.

Mike Hutchingson of Anderson Development expressed agreement with the terms and language in the agreement with the exception of the definition of an ERU (equivalent residential unit) to give discretion to Mr. Overson in calculating Impact Fees. Mr. Hutchingson introduced Mike Olsen of America First Credit Union, financiers of the Homesteads project. Mr. Hutchingson explained that Anderson Development has been working closely with Mr. Olsen to negotiate a settlement of financial matters regarding the project. Mr. Olsen and Mr. Church clarified that the reimbursement agreement applies only to system improvements which have been completed by the developer.

Councilmember Gillespie inquired as to whether a fire station facility is mentioned in the agreement. Mr. Church stated that property for a future fire station facility is addressed in the Development Agreement, but is not a part of the reimbursement agreement. The Development Agreement addresses only property for, not construction of the facility. Councilmember Gillespie asked if Impact Fees could be used towards the construction of a facility in the future. Mr. Church explained that the Public Safety Facility Impact Fee was recently discontinued due to the requirement that fees are expended within six years of the date they are collected. During previous discussion, the Council concluded that adequate fees could not be collected to allow construction of the facility within the six year time frame. He observed that bonding could potentially be used to fund long term capital projects rather than Impact Fees.

Mr. Church went on to discuss specific Impact Fees by area. He noted that the reimbursements are service area specific, and that only transportation is a Town-wide fee. Mr. Overson noted that the total cost of Impact Fees in the Homesteads subdivision will be approximately \$2,000 more than in other areas to reimburse the cost of improvements specific to that area.

Mayor Farnworth noted that the developer previously installed approximately \$18 million in system improvement infrastructure. He observed that Redevelopment Agency funds will be used to offset the cost of improvements which have been removed from the agreement, including the rail road overpass, the 400 North rail road crossing, and water storage facilities. He clarified that the Town will also be reimbursed from Impact Fees for infrastructure projects which were paid from the General Fund.

Mayor Farnworth called for further comments or discussion. Hearing none, he called for a motion.

COUNCILMEMBER HOLDAWAY MOVED TO APPROVE THE HOMESTEADS REIMBURSEMENT AGREEMENT AND AUTHORIZE THE MAYOR TO SIGN THE ASSOCIATED DOCUMENTS UPON FINAL REVIEW OF REVISIONS TO THE AGREEMENT BY THE TOWN ATTORNEY AND FINAL REVIEW OF ATTACHMENTS BY THE TOWN ENGINEER. COUNCILMEMBER HOLDAWAY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED.

5.2 – Discussion and Action – Homesteads Development Agreement Amendments – The Mayor and Council will discuss and possibly act to approve amendment to the existing Homesteads Development Agreement.

Mr. Church explained that in March, the developer made a request that the Town consider eliminating several requirements from the Homesteads Development Agreement, including the rail road overpass crossing, water tank storage facility, and construction of a fire station facility to facilitate negotiations with America First Credit Union. Since initial discussion regarding these amendments, the Credit Union has requested additional amendments to the existing agreement. Mr. Church clarified that the requested changes are planning policy changes rather engineering or legal matters.

Mr. Hutchingson explained that Anderson Development and America First Credit Union are working cooperatively to resolve funding issues. The Credit Union has requested additional amendments to the agreement which will make the project more developable, potentially resulting in quicker development of the project.

Town Planner, Nathan Crane, reviewed proposed amendments relative to overall density, reduced lot size, reduced home size and maximum units per acre. Proposed amendments will increase overall density of the development. Mr. Overson observed that it will be necessary to consider the impact of increased density on the existing infrastructure capacity.

Mr. Hutchingson explained that America First Credit Union has requested the density amendments due to concerns regarding the marketability of larger homes on larger lots in the current economy. Mayor Farnworth inquired as to the proposed lot size in comparison to lots in the Sleepy Ridge subdivision. Mr. Crane stated that the proposed lot size is larger than the lots in Sleepy Ridge.

Mr. Crane went on to discuss proposed development phasing. The original development application included phases of pods. The developer now expects to phase lots within each pod based on the economy and demand. Mr. Hutchingson explained that they are planning to phase lots in groups of 20-22 rather than full pods of 120 lots. Mr. Crane stated that connection to infrastructure must be considered during phasing, but that he has no significant concerns regarding the phasing concept. Mr. Church explained that the Council will review smaller plats for approval as development occurs. Mr. Overson noted that infrastructure connections will need to be considered during preliminary plat approval, and that it may be necessary to bond for some infrastructure projects to make sure the infrastructure connections are appropriate to accommodate the full plat rather than the smaller phases.

Mayor Farnworth inquired as to whether the capacity in the existing infrastructure is adequate to accommodate the proposed density. Mr. Overson explained that there is some capacity available in the sewer system, but that the 300 unit high density housing development will take a large portion of the available capacity. Mr. Crane observed that it may not be cost effective to upsize the infrastructure to accommodate the additional density, which will increase by approximately 100 units.

The Council went on to discuss the current Homesteads Development Review process. Mr. Crane explained that the amended agreement will establish minimum architectural standards which will be reviewed as part of the building process rather than a separate approval process. Mr. Hutchingson stated that they do want adequate architectural controls, but do not want standards recorded against the

property. Mr. Crane stated that the intent is to adopt architectural standards as a separate document rather than part of the agreement.

Mr. Crane went on to review additional amendments, including removal of identification and entry features, as well as specific fencing requirements. Exhibit D, Project Area Map, will be revised. Mr. Church explained that a few will be collected and held in escrow for each lot developed which will be used to install landscaping improvements as development occurs. Mr. Olsen stated that the developer will work with Mr. Overson and Mr. Crane regarding landscaping amendments which will significantly reduce maintenance costs. Mr. Hutchingson noted that specific fencing materials will also be addressed, but that amended standards will not require a concrete fence which can encourage graffiti and incur excessive maintenance costs.

Councilmember Gillespie inquired as to the fire station facility on the Geneva property. Mr. Church stated that it will be necessary to construct a fire facility at some point in the future, but the facility is not included in this agreement. Mr. Hutchingson stated that the developer is committed to a fire facility on the Geneva site. He stated that it is their intent to keep that commitment but that it is not specifically addressed in the agreement. Mr. Church suggested that the Town enter into a Memorandum of Understanding with the developer regarding the future fire station.

The Council went on to discuss the impact of higher density on existing Vineyard residents, particularly along Holdaway Road. Mayor Farnworth suggested that higher density not be allowed directly adjacent to existing homes on Holdaway Road. Mr. Hutchingson agreed to the stipulation that lots adjoining existing homes on Holdaway Road remain at 20,000 square feet with other lots being reduced to 18,000 square feet.

Mr. Hutchingson requested that the Council approve the agreement with direction to staff for final review and approval of amendments as discussed at this meeting by Mayor Farnworth and professional staff. Councilmember Gillespie expressed concern regarding approval of the agreement at this time given the unresolved issues. Mayor Farnworth observed that it seems the proposed changes are necessary to move the development forward. He noted that the existing infrastructure may degrade overtime if the facilities go unused. Councilmember Gillespie felt that the proposed decrease in home size was contrary to the original intent of the development agreement which may have long term impacts on the community. Mayor Farnworth felt that if the reduced lot and homes sizes were separated from the existing homes the impact on existing residents would be minimal.

Mr. Crane clarified that the overall change to density and size is approximately a 10% reduction compared to the original agreement. Mr. Hutchingson explained that the proposed amendments apply to Pods 2 through 20, and do not apply to Pod 1. Councilmember Gillespie inquired as to the increase in number of units based on the proposed amendments. Mr. Crane stated that the proposed amendments would result in an increase of approximately 99 units. Mayor Farnworth observed that the proposed increase would not be readily noticeable in the overall development.

Vineyard resident Robert Holdaway expressed concern regarding potential negative impacts to the community if the Town permits high density housing. Mayor Farnworth clarified that the Council is not considering high density housing as part of this agreement, and that impacts to the community would be minimal based on the proposed density and home size.

Councilmember Holdaway asked Mr. Crane if he was comfortable with moving ahead with the proposed agreement. Mr. Crane stated that the proposed amendments are policy decision and that the staff has the ability to work out the final details with the developer based on direction from the Council. Mr. Hutchingson stated that the developer would appreciate the Council taking action on this issue to allow them to work with potential buyers to start development of the properties. He expressed respect for the process the Council must go through when considering the amendments, but asserted that the proposed amendments would increase the marketability of the property and the project.

Mayor Farnworth called for further comments or discussion from the Council or staff. Hearing none, he called for a motion.

COUNCILMEMBER HOLDAWAY MOVED TO APPROVE THE AMENDED HOMESTEADS DEVELOPMENT AGREEMENT WITH REVIEW AND APPROVAL OF FINAL AMENDMENTS AS DISCUSSED BY STAFF. MAYOR FARNWORTH SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY WITH TWO ABSENT.

Mayor Farnworth instructed staff to inform the Council of any additional amendments not discussed at this meeting prior to finalizing the agreement.

5.3 – Discussion and Action – Center Street Reconstruction and Widening Project. The Mayor and Council will review and possibly act to approve a bid by Skip Dunn and Sons for widening of Center Street from Vineyard Road to 470 East.

Mr. Overson explained that the proposed widening project would match the east end of Center Street with the existing improved road west of 470 East. Councilmember Gillespie inquired as to whether the project could be completed as part of the RDA project. Mr. Overson stated that the project does fall within the 1500 foot area surrounding the RDA, and can be completed using RDA funds. He noted that the cost of the project will be approximately \$64,000 and will complete the roadway to full 36 foot right-of-way. The Council directed staff to put the Center Street widening project on the next RDA meeting agenda for consideration and possible action.

5.4 – Discussion and Action – Personnel Policy Manual Update – Pay Periods. – The Mayor and Council will review and possibly act to approve amendments to the Personnel Policies and Procedures Manual which will change pay-days from the first and third Friday of each month to bi-weekly beginning June 30, 2012.

COUNCILMEMBER GILLESPIE MOVED TO APPROVE PERSONNEL POLICY MANUAL UPDATES CHANGING PAY DAYS FROM THE FIRST AND THIRD FRIDAY OF EACH MONTH TO BI-WEEKLY ON FRIDAY BEGINNING JUNE 30, 2012. COUNCILMEMBER HOLDAWAY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY WITH TWO ABSENT.

OPEN SESSION –

Mayor Farnworth called for comments from the audience. There was no public comment.

COUNCILMEMBER'S REPORTS –

Councilmembers had no items to report at this meeting.

MAYOR'S REPORT –

Mayor Farnworth had no items to report.

ADJOURNMENT –

COUNCILMEMBER FERNANDEZ MOVED TO ADJOURN THE MEETING OF THE VINEYARD TOWN COUNCIL AND CONVENE THE MEETING OF THE VINEYARD REDEVELOPMENT AGENCY BOARD AT 7:56 P.M. COUNCILMEMBER HOLDAWAY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

THE COUNCIL ENTERED INTO AN EXECUTIVE SESSION AT 8:57 P.M. TO DISCUSS ACQUISITION OF REAL PROPERTY. COUNCILMEMBER HOLDAWAY SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

The meeting was adjourned by consensus at the conclusion of the Executive Session. The next regular Town Council meeting is scheduled for July 11, 2012.

MINUTES APPROVED ON – August 22, 2012

CERTIFIED CORRECT BY _____
DEBRA CULLIMORE, TOWN CLERK/RECORDER